GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4021
ANSWERED ON:09.12.2016
Widening of Taxation System
Ahmed Shri Sultan

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to introduce Indirect Tax System envisaging taxation of products/services;

(b) if so, the details thereof;

(c) the percentage of population in India under tax net and percentage of it actually paying taxes;

(d) whether the Government has any proposal/ measures to bring everyone under the tax net; and

(e) if so, the details thereof and steps taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): The Constitution has been amended by the Constitution (One Hundred and First Amendment) Act, 2016] empowering the Parliament and the Legislature of every State to make laws with respect to Goods & Service Tax imposed by the Union or by such State.

The proposed goods and services tax will replace a number of indirect taxes being levied by the Union or the State Governments and remove multiplicity and cascading taxes and result in a common national market for goods and services.

(c) & (d): The burden of Indirect Taxes, which are in the nature of a consumption tax, is borne by consumers who consume goods & services.

(e): Does not arise in view of reply to (c) and (d) above.

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